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**TIF key points:**

- We support reforming energy taxation so that sustainable fuels and electricity are subject to lower taxation. Fossil fuel subsidies should be removed. **TIF is in favor of adding hydrogen to the list of energy products in the Energy Tax Directive.**
- Nuclear electricity is a zero-carbon source of energy and it should be taken into account as such in the directive.
- We support the transition from volume taxation to energy content-based taxation.
- Technology neutrality should be ensured.
- Simple and predictable taxation is very important for businesses. We support simplifying energy tax legislation. However, **the ETD should be carefully prepared so that the result will not actually complicate taxation.**
- **Current two-category electricity tax rate model applied in Finland should be accepted since it prevents carbon leakage and ensures competitiveness of the Finnish energy intensive industries.**
- The European Commission has proposed to increase EU's own resources with revenues from the Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading system would be allocated directly to the EU budget. Thus, these funds would not be available to Member States. The potential overlap of instruments should be taken into account in the preparation of energy taxation, considering that one of the objectives is to "preserve the possibility for Member States to generate energy tax revenues".
- The proposal of changing the legal basis of Energy Taxation Directive so that it could be amended by through the ordinary legislative procedure by Qualified Majority Voting (QMV), is **not** acceptable.
- The authorization rules proposed to the Commission should be very clear and precise, and in line with the current rules. We do not think that the authorization rules should be extended. In particular, the proposal to extend the control procedure raises questions. Commission should refrain from setting up a new excise supervisory authority.
- The OECD's preparation of global energy taxation rules should also be taken into account, as appropriate, in the preparation of the EU Energy Tax Directive, so that EU taxation does not conflict with global taxation.